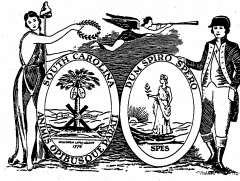


STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF HUMAN RESOURCES

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SAMUEL L. WILKINS
DIRECTOR

MEMORANDUM

TO: Agency Heads and Human Resources Directors of all Agencies, Departments, Institutions of Higher Education, Boards and Commissions

FROM: Samuel L. Wilkins, Director
Office of Human Resources

DATE: May 16, 2007

SUBJECT: Employee Pay Plan Provisions for Fiscal Year 2007-2008

The current version of the FY 2007-2008 General Appropriation Bill as passed by both the House and the Senate authorizes funds for base pay increases for classified employees, unclassified employees, and agency heads. A Joint House and Senate Conference Committee is considering the General Appropriation Bill. Once the Conference Committee has completed its work, the bill still must be approved by the General Assembly and the Governor.

Since the bill is not yet final, the following information is provided for each employee category to assist agencies in preparing to implement the provisions of the 2007-2008 employee pay plan should the current version be approved. Based on the funds provided for compensation increases, the first pay date that occurs on or after July 1, 2007, is the effective date for a general increase for classified employees and a variable increase for unclassified employees.

I. Employees in Classified Status

Effective on the first pay date which occurs on or after July 1, 2007, the compensation of all classified employees shall be increased by 3%. With the exception of the minimum of the pay band 1, this increase shall also move the minimum and maximum of the pay band upward by 3% and the midpoint will be adjusted accordingly.

II. Employees in Executive Compensation and Other Non-Academic Unclassified Employees

At its meeting on May 15, 2007, the Budget and Control Board established the following guidelines for pay increases for Executive Compensation System and other non-academic unclassified employees: "Agencies are authorized to award annual pay increases to Executive Compensation System and other non-academic unclassified employees from 0% to 6% effective on the first pay date which occurs on or after July 1, 2007." The general increase code '03' should be recorded on each eligible employee's record to reflect this increase. Similar to the pay bands for classified positions, the salary ranges for Executive Compensation System positions shall also be adjusted upward by 3%. The Office of Human Resources is also authorized to approve increases greater than 6% for Executive Compensation and other non-academic unclassified employees. For exceptional pay increases, agencies must submit to our office a list of any employees requested to receive an exceptional increase, the amount of increase, and the reason for awarding the increase. Please format any exceptional requests in a manner that will include: (1) employee name, position number, and current title (2) current salary, proposed salary and percentage increase, (3) supporting salary data, and (4) reason for exceptional salary increase.

III. Unclassified Faculty Employees

At its meeting on May 15, 2007, the Budget and Control Board established the following guidelines for pay increases for unclassified faculty employees: "Agencies are authorized to award annual pay increases to faculty employees from 0% to 6% or increases up to an annual salary of \$79,000, whichever is greater, effective on the first pay date which occurs on or after July 1, 2007." The general increase code '03' should be recorded on each eligible employee's record to reflect this increase. Additionally, our office is authorized to approve exceptional pay increases greater than 6% when the new salary is above \$79,000. For exceptional pay increases, agencies must submit to our office a list of any faculty member requested to receive an exceptional increase, the amount of increase, and the reason for awarding the increase. Please format any exceptional requests in a manner that will include: (1) employee name, position number, current title and discipline, (2) current salary, proposed salary and percentage increase, (3) external and internal discipline average salary and data source, and (4) reason for salary increase.

IV. Agency Heads

The Agency Head Salary Commission shall recommend to the Budget and Control Board salary increases for agency heads. Agency head increases shall be effective on the first pay date that occurs on or after January 1 of the current fiscal year. No agency head shall be paid less than the minimum of the pay range nor receive an increase that would have the effect of raising the salary above the maximum of the pay range.

Agency heads not covered by the Agency Head Salary Commission shall receive an annual increase of 3% effective on the first pay date which occurs on or after July 1, 2007.

After the legislative session has ended, we will inform you of all enacted legislation that affects human resources issues. Should you have any questions regarding any aspect of this year's pay plan provisions, please contact your HR Consultant at (803) 737-0900.